GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:723
ANSWERED ON:23.02.2006
FDI IN DOMESTIC AIRLINES
Rawat Shri Bachi Singh

Will the Minister of CIVIL AVIATION be pleased to state:

(a) Whether the Government proposes to open up the aviation sector to foreign airlines;

(b) If so, the details thereof;

(c) Whether Foreign Direct Investment (FDI) would be permitted in domestic airlines; and

(d) If so, the details thereof including the extent of investment that would be permitted?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION SHRI PRAFUL PATEL

(a) and (b):- Airlines of foreign countries operate to/from India under the terms of bilateral Air Services Agreements

(ASAs) India has with the respective foreign countries. ASAs are reviewed from time to time as part of an on-going process depending on traffic demand, balance of benefit to our carriers, over all interest of national economy and diplomatic/political consideration. At present India has bilateral agreements with more than 100 countries.

(c) and (d):- As per the extant policy, the ceilings on Foreign Direct Investment (FDI) in respect of Air Transport Services (Domestic Airlines) are as under:

49% through automatic route. 100% by Non-Resident Indians (NRIs) through automatic route.

(No direct or indirect participation by foreign airlines is allowed).